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SECOND WARD DRAINAGE DISTRICT NO. 2
OF ACADIA PARISH

FINANCIAL REPORT

DECEMBER 31, 1982

Under provisions of state law this report is a public document. A copy of this report has been submitted to the clerk and other appropriate public officials. The report is available for public inspection at the Capitol Police office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Signature Date: 4/24/83

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Gerald L. Lemons, Jr.,
and the Board of Commissioners
Second Ward Drainage District No. 2 of Acadia Parish
Bayou, Louisiana

We have audited the general purpose financial statements of Second Ward Drainage District No. 2 of Acadia Parish, a component unit of the Acadia Parish Police Jury, as of December 31, 2002, and for the two years then ended as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits established in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Second Ward Drainage District No. 2 of Acadia Parish as of December 31, 2002, and the results of its operations for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Honorable Gerald L. Lemaire, Jr.,
and the Board of Commissioners
Second Ward Drainage District No. 2 of Acadia Parish

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Second Ward Drainage District No. 2 of Acadia Parish taken as a whole. The schedule listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Second Ward Drainage District No. 2 of Acadia Parish. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

Broussard, Poché, Lewis & Breaux LLP

Crowley, Louisiana
March 4, 2019

SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

BALANCE SHEET
December 31, 2003

ASSETS

Cash	\$ 34,074
Certificate of deposits	116,942
Receivables	48,085
	<hr/>
Total assets	\$ 209,099
	<hr/> <hr/>

LIABILITIES AND FUND EQUITY

LIABILITIES:	
Accounts payable	\$ 1,683
FUND EQUITY	
Unreserved - undesignated	208,596
	<hr/>
	\$ 209,099
	<hr/> <hr/>

See Notes to Financial Statements.

**SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADIA PARISH
ACADIA PARISH POLICE JURY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
Year Ended December 31, 2002**

Revenues:	
Taxes	
Ad valorem	\$ 40,089
Intergovernmental:	
State revenue sharing	2,046
Interest income	5,271
	<hr/>
Total revenues	\$ 54,206
	<hr/>
Expenditures:	
Current	
Public works:	
Compensation paid to board of commissioners	\$ 6,180
Accounting and auditing	2,680
Office	80
Insurance	280
Pension	1,683
Uncollected taxes	17
Repairs	31,111
Rent expense	680
Other	1,323
	<hr/>
Total expenditures	\$ 43,584
	<hr/>
Excess of revenues over expenditures	\$ 12,702
	<hr/>
Fund balance, beginning	155,684
	<hr/>
Fund balance, ending	\$ 208,386
	<hr/>

See Notes to Financial Statements.

SECOND WARD DELAWARE DISTRICT NO. 2 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
Year Ended December 31, 2001

Revenues:	
Taxes:	
Ad valorem	\$ 47,817
Intergovernmental:	
State revenue sharing	1,990
Interest income	7,810
	<hr/>
Total revenues	\$ 58,140
	<hr/>
Expenditures:	
Current:	
Public works:	
Compensation paid to board of commissioners	\$ 4,820
Accounting and auditing	1,460
Office	11
Furniture	1,487
Uncollected taxes	3,134
Repairs	30,404
Other	447
	<hr/>
Total expenditures	\$ 40,953
	<hr/>
Excess of revenues over expenditures	\$ 17,187
	<hr/>
Fund balance, beginning	178,497
	<hr/>
Fund balance, ending	\$ 195,684
	<hr/>

**SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADIA PARISH
ACADIA PARISH POLICE RURY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND**

Year Ended December 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Taxes:			
Ad valorem	\$ 47,617	\$ 48,899	\$ 482
Intergovernmental:			
State revenue sharing	2,592	2,846	254
Interest income	4,680	5,211	1,271
Total revenues	<u>\$ 54,889</u>	<u>\$ 56,956</u>	<u>\$ 3,607</u>
Expenditures:			
Current:			
Public works:			
Compensation paid to board of commissioners	\$ 7,000	\$ 6,100	\$ 900
Accounting and auditing	2,400	2,400	(200)
Office	180	50	50
Insurance	-	280	(200)
Pensions	1,487	1,688	(116)
Uncollected taxes	-	17	(17)
Repairs	42,080	38,111	16,888
Rent expenses	680	680	-
Other	580	1,223	(720)
Total expenditures	<u>\$ 54,087</u>	<u>\$ 49,544</u>	<u>\$ 16,553</u>
Excess of revenues over expenditures	<u>\$ 122</u>	<u>\$ 12,752</u>	<u>\$ 12,958</u>
Fund balance, beginning:	<u>-</u>	<u>192,684</u>	<u>192,684</u>
Fund balance, ending	<u>\$ 122</u>	<u>\$ 208,386</u>	<u>\$ 208,274</u>

**SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADEIA PARISH
ACADEIA PARISH POLICE JURY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE, BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND**

Year Ended December 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Total (Minority Only)</u>
Revenues:			
Taxes:			
Ad valorem	\$ 47,617	\$ 47,617	\$ -
Intergovernmental:			
State revenue sharing	3,992	3,990	(2)
Interest income	4,606	7,903	(3,903)
Total revenues	<u>\$ 54,209</u>	<u>\$ 58,508</u>	<u>\$ 3,991</u>
Expenditures:			
Current:			
Public works:			
Compensation, paid to board of commissioners	\$ 7,800	\$ 4,828	\$ 2,980
Accounting and auditing	3,400	3,468	(80)
Office	100	11	89
Pension	1,487	1,487	-
Uncollected taxes	-	2,124	(2,124)
Repairs	42,000	38,404	11,396
Rent expense	600	-	600
Other	500	447	53
Total expenditures	<u>\$ 54,087</u>	<u>\$ 48,933</u>	<u>\$ 13,134</u>
Excess of revenues over expenditures	<u>\$ 122</u>	<u>\$ 17,185</u>	<u>\$ 17,063</u>
Fund balance, beginning	<u>-</u>	<u>178,497</u>	<u>178,497</u>
Fund balance, ending	<u>\$ 122</u>	<u>\$ 195,684</u>	<u>\$ 195,560</u>

SECOND WARD DRAINAGE DISTRICT NO. 2
ACADIA PARISH POLICE JURY

NOTES TO FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

As provided by Louisiana Revised Statute 38:1758, the Drainage District is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the parish police jury. The Drainage District was created under the authority of Louisiana Revised Statute 38:1751-1802 and was established for the purpose of draining and reclaiming the undrained or partially drained marsh, swamp, and overflowed lands in the district that must be leveed and pumped in order to be drained and reclaimed.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. All GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Reporting entity:

In performance with GASB Certification Section 210B, the Drainage District is a component unit of the Acadia Parish Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general governmental services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

Fund accounting:

The District uses a fund (general fund) to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

General fund:

The general fund is classified as a governmental fund. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies. The general fund is the general operating fund of the District and accounts for all financial resources.

NOTES TO FINANCIAL STATEMENTS

Basis of accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis applied. The District's accounts are reported on the modified accrual basis of accounting, using the following practices in recording revenues and expenditures:

Revenues:

All valueres taxes and state revenue sharing are recorded in the year the taxes are assessed. All valueres taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent by December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

The following is a summary of levied all valueres taxes:

	2000	2001
General corporate purposes:		
Operations and maintenance	1.18	1.18

Interest income represents amounts earned on checking accounts and certificate of deposit invested with financial institutions. Interest earned is recorded when received.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting when the related fiscal liability is incurred.

Budget practices:

The budgeted revenues and expenditures are based on current figures and past experience. They are discussed, approved, adopted and amended as necessary by the Board of Commissioners at the regular monthly meetings. The budget is prepared on a basis consistent with generally accepted accounting principles. All appropriations lapse at year-end. The District does not use encumbrance accounting.

Cash and cash equivalents:

At December 31, 2000, the District has cash and investments (bank balances) totaling \$161,016. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the remaining bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2000, the District has \$160,816 in cash and investments (collective bank balances). These deposits are fully secured from risk by federal deposit insurance.

NOTES TO FINANCIAL STATEMENTS

Pensions:

Employees of the Drainage District are covered under the Federal Insurance Contribution Act (social security). The employees and the District contribute equally to the system.

Vacation and sick leave:

The District does not have a formal policy on vacation and sick leave.

Total column:

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2. Receivables

The following is a summary of receivables at December 31, 2002:

Ad valorem tax	\$ 41,896
State revenue sharing	<u>1,897</u>
	<u>\$ 43,793</u>

SUPPLEMENTARY INFORMATION

SECOND WARD DRAINAGE DISTRICT NO. 2
ACADIA PARISH POLICE JURY

SCHEDULE OF COMPENSATION PAID TO BOARD OF COMMISSIONERS
Two Years Ended December 31, 2002

Name	2002	2001
Gerald L. Leonard, Jr.	\$ 1,250	\$ 700
Dwayne Gossett	1,250	840
Berry L. Meyer	1,250	840
Leonard J. Hileto	1,850	730
Darryl J. Zumbrocher	1,250	840
Total	<u>\$ 6,300</u>	<u>\$ 4,020</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 24 of the 1979 Session of the Legislature.

The board members received \$50 per diem for attendance of meetings of the board. Effective January 1, 2002, the board members begin receiving \$100 per diem for attendance of meetings.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Gerald L. Lemons, Jr.,
and the Board of Commissioners
Second Ward Drainage District No. 2 of Acadia Parish
Bayou, Louisiana

We have audited the general purpose financial statements of Second Ward Drainage District No. 2 of Acadia Parish, a component unit of the Acadia Parish Police Jury, as of and for the last year ended December 31, 2002, and have issued our report thereon dated March 4, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Second Ward Drainage District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of finding and questioned costs as item 2002-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Second Ward Drainage District No. 2's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating that, in our judgment, could adversely affect Second Ward Drainage District No. 2's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2002-2.

The Honorable Gerald L. Leveaux, Jr.,
and the Board of Commissioners
Second Ward Drainage District No. 2 of Acadia Parish

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we considered the reportable condition described above, from 2002-3 to be material weaknesses.

This report is intended for the information of management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Broussard, Piche & Leveaux & Broussard LLP

Crowley, Louisiana
March 4, 2003

SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADEIA PARISH
ACADEIA PARISH POLICE JURY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Two Years Ended December 31, 2002

We have audited the financial statements of Second Ward Drainage District No. 2 of Acadia Parish, as of and for the two years ended December 31, 2002, and have issued our report thereon dated March 4, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2002, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ☒ Yes ☐ No

Reportable Conditions ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards

The District did not receive any federal awards for the two years ended December 31, 2002.

Section II Financial Statement Findings

2002-1 - Budget Adoption

Finding: The District failed to adopt a budget before the beginning of the years ended 2001 and 2002, as required by the Local Government Act (LSA-RS: 1381-1316).

Cause: The District failed to adopt a budget prior to the beginning of the years ended 2001 and 2002.

Recommendation and response: We recommended, and management agrees that the District adopt a budget prior to the beginning of the year as required by the Local Government Act.

2002-2 - Board Member Compensation

Condition: According to Internal Revenue Code § 31.3401(c)-1, "...officer... whether elected or appointed..." are included in the definition of employee. Therefore, any board member is considered an employee of the District for tax purposes and the compensation paid to them is subject to social security (if not a member of a retirement system), Medicare (if the board member was appointed or reappointed after March 31, 1986), and federal and state income tax withholding in 2001 and 2002.

SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADIA PARISH
ACADIA PARISH POLICE JURY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Two Years Ended December 31, 2002

Section II Financial Statement Findings (continued)

2002-2 – Board Member Compensation (continued)

Issue: Compensation paid to board members is reported to them at year-end using Form 1099. No amounts withheld from these amounts or paid by the District on these amounts.

Recommendation and response: We recommend, and management agrees, that payments to the Board be subject to taxes and withholdings as an employee payments. Each board member should be required to complete a Form W-4 annually.

Section III Federal Award Findings and Questioned Costs

The District did not receive any federal awards for the two years ended December 31, 2002.

SECOND WARD DRAINAGE DISTRICT NO. 2 OF ACADEIA PARISH

MANAGEMENT'S CORRECTIVE ACTION PLAN

Two Years Ended December 31, 2002

Section I. Internal Control and Compliance Material to the Financial Statements

2002-1 - Budget Adoption

Finding: The District failed to adopt a budget before the beginning of the years ended 2001 and 2002 as required by the Local Government Act.

Cause: The District failed to adopt a budget prior to the beginning of the years ended 2001 and 2002.

Recommendation and response: We recommended, and management agrees, that the District adopt a budget prior to the beginning of the fiscal year as required by the Local Government Budget Act.

2002-3 - Board Member Compensation

Condition: According to Internal Revenue Code § 31.3401(a)(1), "... officers... whether elected or appointed..." are included in the definition of employees. Therefore, any board member is considered an employee of the District for tax purposes and the compensation paid to them is subject to social security (if not a member of a retirement system), Medicare (if the board member was appointed or reappointed after March 31, 1980), and federal and state income tax withholding in 2001 and 2002.

Cause: Compensation paid to board members is reported to them at year-end using Form 1099. No taxes are withheld from these amounts or paid by the District on these amounts.

Recommendation and response: We recommended, and management agrees, that payments to the Board be subject to taxes and withholdings as are employee payments. Each board member should be required to complete a Form W-4 annually.

Section II. Internal Control and Compliance Material in Federal Awards

The District did not receive any federal awards for the two years ended December 31, 2002.

Section III. Management Letter

The current year's report did not include a management letter.

Responsible party: Gerald L. Leonard, Jr., President